



**April 2003**

# **Missouri Producer**

## **Missouri Farm Service Agency**

Parkade Center, Suite 225  
601 Business Loop 70 W  
Columbia, MO 65203

### **Hours**

Monday - Friday  
8:00 a.m. - 4:30 p.m.

### **State Committee**

Don Fischer, Chairman  
Fred Ferrell  
Julie Hurst  
Craig Westfall  
Barbara Wilson

### **Staff**

Tim Kelley, State Executive Director  
Patty Dick, Administration  
Dan Gieseke, Farm Loans  
Bo Wendleton, Compliance  
Gerald Hrdina, Conservation  
Maurine Long, Price Support  
Max Sell, Production Flexibility

## **Conservation Reserve Program**

As everybody knows by now, the 2002 Farm Bill reauthorized the Conservation Reserve Program, or CRP, through calendar year 2007. As of this writing, a sign up date for the next general sign up has not been set. A number of changes, both large and small, have been made to CRP. For example, the acreage cap was increased to 39.2 million acres from 36.4 million, an increase of 2.8 million acres. Currently, 33.9 million acres are enrolled in CRP.



To be eligible for CRP, producers must have owned or operated the land for at least 12 month prior to the end of the general sign up period or for at least 12 month prior to an offer for continuous sign up.

To be eligible for CRP, the land must be cropland (including field margins) that is planted or considered planted to an agricultural commodity for 4 of the 6 crop years 1996 through 2001. This is a new requirement. Marginal pastureland may be eligible if it was enrolled in the Water Bank Program or is suitable for use as a riparian buffer or for similar water quality purposes. Land must also receive a weighted average erosion index of 8 or higher.

Other changes to CRP brought about by the 2002 Farm Bill include:

- Managed haying and grazing and biomass harvesting is permitted in order to maintain species diversity (payment reduction will apply);
- The Farmable Wetland Pilot Program is expanded to all states;
- Cost-Share for performance of contract management activities is permitted; and
- Technical service providers must be certified by the Natural Resources Conservation Service.

## **Livestock Compensation Program II**

If you weren't eligible for last year's Livestock Compensation Program or missed the Dec. 13 application cutoff date you'll want to look into LCP-II. Sign up for the second go 'round started on April 1 and will run through early June.

The original program was limited to livestock producers headquartered in a county designated by the secretary of agriculture as a primary disaster county between Jan. 1, 2001 and Sept. 19, 2002. LCP-II makes eligible any counties that were requested as primary disaster areas under a presidential or secretarial declaration by Feb. 20, 2003, and that were subsequently approved. Counties named as contiguous counties are not eligible for the program.

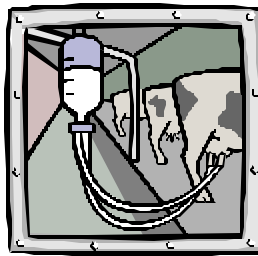
Dates to Remember	
April 1	2002 Livestock Compensation Program II sign up begins
April 1	Deadline to select base and yield options
May 16	Sign up deadline for Tobacco Payment Program
May 16	Deadline to sign and return CCC-515, Base and Yield Selection
May 31	Final loan/LDP availability for 2002 crop corn, sorghum, soybeans, cotton and rice
June 2	Deadline to sign DCP contract
June 6	Sign up begins for Crop Disaster Program

Owner and livestock eligibility requirements remain unchanged. To be eligible for assistance a producer's livestock operation headquarters must be physically located in a county with a qualifying disaster designation. Eligible livestock include cattle, sheep, goats, buffalo and catfish.

Livestock must have been owned (a) on June 1, 2002, and (b) for a minimum of 90 days. The June 1 date could fall anytime within the 90-day period. Animals located in a commercial feedlot are eligible provided they are farmer-owned and the owner meets all eligibility requirements. Animals that were sold or died on or after June 1, 2002, and that meet all other eligibility requirements may be eligible for payment. LCP-II payments will be based on the number of eligible livestock and catfish.

Payment will be available shortly after the application has been processed. Producers participating in LCP-II are subject to a \$2.5 million gross revenue limitation. Payments are limited to \$40,000 per "person." Livestock covered under LCP-I are not eligible for LCP-II.

### ***Dairy Indemnity Payment Program***



The 2002 Farm Bill extended the Dairy Indemnity Payment Program through 2007. The program makes payments to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it's been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides.

The county committee determines the affected farmer's normal marketings, which are based on the average daily production during the base period. The indemnity payment is calculated by multiplying the number of cows milked times the number of days milk is off the market times base production in terms of pounds per cow per day times the farm price for milk less hauling and promotion fees received by the producer.

The base period used to establish base production is the calendar month immediately before the month the milk is removed from the market. The claim period is the 28- to 32-day period in which the milk was removed from the market. A claim period may cross over into the next month, depending on when the milk would have been marketed. Claim periods do not depend on when the milk would have been produced.

Applications must be filed no later than December 31 following the fiscal year in which the loss occurred.

The application period for Notice FSA-373 begins on the date the milk was officially removed from the market by public agency and ends on the date the milk was officially reinstated to the market by public agency. The application period may not extend past the end of a fiscal year if the producer's milk is still quarantined from the market and losses from more than one fiscal year cannot be included on one FSA-373.

Producers who receive indemnity payments and then file a successful claim for damages against the party responsible for the contamination must return to FSA within 14 days the lesser of the amount received in indemnity payment, or the amount received in a claim against the party responsible for the contamination.

### ***Crop Disaster Program***



Sign-up for the Crop Disaster Assistance Program will begin on June 6.

Crop disaster payments will be calculated using the same formula used for the 2000 crop year. This means crop losses for 2001 and 2002 will be valued using the price election for Actual Production History crop insurance policies, or if that price is not available, a 5-year average.

Crop disaster payments are also subject to a formula that states the sum of (1) the value of the crop not lost, (2) the disaster payment, and (3) the crop-insurance indemnity cannot exceed 95 percent of what the crop's value would have been, if there had been no loss.

Other key assistance program details include:

- sign-up for the \$50 million cottonseed program will begin after completion of the 2002 crop ginning season, which occurs around May 1;
- \$60 million in disaster related assistance for the sugar beet industry, with sign-up beginning in June;
- \$250 million Livestock Assistance Program that will reimburse producers for grazing losses will begin in July.
- Sign up for the Livestock Compensation Program II and the Tobacco Payment Program (TOPP) began April 1.

To keep current visit FSA's Web site at <http://www.fsa.usda.gov/>. Information specific to disaster assistance can be found at <http://disaster.fsa.usda.gov/>.

### ***Tobacco Payment Program***

Sign up for the Tobacco Payment Program began on March 17 and will end May 16. TOPP is designed to enhance the economic stability of tobacco producers. TOPP was authorized the Agricultural Assistance Act of 2003, which included provisions to provide direct payments to all acreage allotment/marketing quota holders and tobacco growers.



The program provides \$53 million to eligible applicants.

Payments will be issued between mid-May and June 1, 2003. Late-filed

<b>Selected Interest Rates for April 2003</b>	
90-Day Treasury Bill	1.125%
Farm Operating - Direct	3.500%
Farm Ownership - Direct	5.50 %
Limited Resource	5.000 %
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000 %
Emergency	3.750 %
Farm Storage Facility	3.250%
Commodity Loans 1996- Present	2.250%

applications will not be accepted. Funds will be dispersed according to allocation formulas tied to the various types of tobacco.

Eligible applicants are quota holders and producers of all kinds of tobacco under USDA's 2002 tobacco program. An eligible person owns, controls, or produces eligible tobacco on a farm for which an acreage allotment/marketing quota was established for the 2002 marketing year. An eligible farm is one for which, irrespective of temporary transfers or undermarketings, a basic quota or allotment for eligible tobacco was established for the 2002 crop year. The following types of tobacco are eligible:

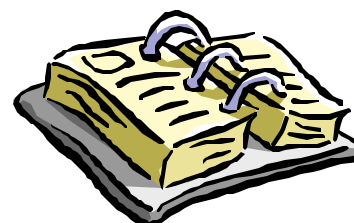
- Flue-cured (types 11-14),
- Burley (type 31),
- Fire-cured (types 21-23),
- Dark air-cured (types 35-36),
- Virginia sun-cured (type 37) and
- Cigar filler/binder (types 42-44, 54 and 55).

### ***CRP Grazing, Haying Refunds***

Refunds are on the way for eligible producers who hayed or grazed their Conservation Reserve Program acres in 2002 because of drought. Producers enrolled in CRP are permitted to hay and graze livestock on CRP land under certain natural disaster conditions. When haying or grazing is permitted, producers are assessed a 25 percent reduction in CRP annual rental payments, as required by law, to account for the areas hayed or grazed. Eligible Missouri producers are slated to receive refunds totaling \$226,227.

### ***Annual Reminders***

**Foreign Landowner Notification**--The Agricultural Foreign Investment Disclosure Act requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. It is the foreign person's responsibility to report the land transactions.



**Controlled Substance**--Program participants convicted under federal or state law of planting, cultivating, growing, producing, harvesting or storing of a controlled substance are ineligible for program payments and benefits in the current year and four succeeding crop years. Affected programs include direct and counter-cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Noninsured Crop Disaster Assistance Program payments and disaster payments.

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**Planting Flexibility**--The county committee reminds all producers that under the Direct and Counter-cyclical Program any commodity may be planted on:

- any land, including base acres, of a farm not enrolled in a DCP contract,
- nonbase acres of a farm enrolled in a DCP contract,
- base acres of a farm enrolled in a DCP contract except for fruits, vegetables and wild rice.

**Late Filed Signatures**--The final date for participants to provide all necessary signatures on CCC-509 and related documents is June 1 of the fiscal year to be eligible for payments for that fiscal year. (The final date for the 2002 crop year is June 2, 2003.) Completed CCC-509s submitted between June 1 and Sept. 30 will be considered late-filed. These late-filed CCC-509s will be eligible for payment; however, the Commodity Credit Corporation will assess a late-filed fee of \$100 per farm. Late-filed fees shall be collected before the CCC-509 is approved.

**Protection of Base Acreage**--The county committee reminds Direct and Counter-cyclical Program participants that they must protect all base acreage from erosion, including providing sufficient cover as determined necessary by the committee. Participants must also control noxious weeds.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).